

Message Text

LIMITED OFFICIAL USE

PAGE 01 CANBER 01928 012350Z

72

ACTION EA-14

INFO OCT-01 IO-14 ISO-00 PM-07 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 RSC-01

SAM-01 SCI-06 SPC-03 SS-20 STR-08 TRSE-00 ACDA-19

PA-04 USIA-15 PRS-01 DRC-01 /185 W

----- 044118

R 010920Z APR 74

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 2908

INFO AMCONSUL BRISBANE

AMCONSUL MELBOURNE

AMCONSUL PERTH

AMCONSUL SYDNEY

AMEMBASSY TOKYO

US MISSION IAEA VIENNA 91

USAEC GERMANTOWN

LIMITED OFFICIAL USE CANBERRA 1928

E.O. 11652: N/A

TAGS: ENRG, TECH, AS

SUBJ: CERP-EAL: GOA BARS NABARLEK URANIUM DEVELOPMENT

REF: (A) CANBERRA A-051 (B) STATE A-1425 (C) CANBERRA A-122,
MAY 22, 1973

1. PRIME MINISTER WHITLAM IN MARCH 28 LETTER HAS TOLD QUEENSLAND
MINES LTD. (QM) THAT ITS CONTRACTS, APPROVED BY PREVIOUS GOA, TO
EXPORT URANIUM TO JAPANESE UTILITIES MAY BE MET WITH URANIUM
FROM RESERVES HELD BY TWO OTHER COMPANIES. QM WILL NOT BE
ALLOWED TO MINE ITS SMALL BUT EXTREMELY HIGH GRADE NABARLEK DEPOSIT,
LOCATED WITHIN ARNHAM LAND ABORIGINAL RESERVE IN NORTHERN TERRI-
TORY (NT), UNTIL WOODWARD COMMISSION REPORT ON ABORIGINAL
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CANBER 01928 012350Z

LAND RIGHTS IS COMPLETED, PROBABLY IN LATE 1974. INSTEAD,

GOA SAYS IT WILL "ALLOW" QM TO MINE REQUIRED 6,000 METRIC TONS OF URANIUM FROM RANGER DEPOSIT (ALSO IN NT BUT OUTSIDE RESERVE) HELD BY PEKO-WALLSEND (PW) AND EZ INDUSTRIES. LETTER, WHICH ALSO ASSERTS THAT GOA OWNS ALL NT URANIUM, RESULT OF REQUESTS BY JAPANESE UTILITIES (SHIKOKU AND HOKURIKU ELECTRIC) THAT GOA ASSURE CONTRACTED DELIVERIES WILL BE MADE.

2. WHITLAM LETTER HAS PROVOKED CONTROVERSY ON VARIOUS POINTS. SINCE IT IS WIDELY EXPECTED THAT WOODWARD REPORT WILL RECOMMEND BAN ON ALL MINERAL EXPLORATION AND DEVELOPMENT ON ABORIGINAL LANDS AND THAT GOA WILL ACCEPT SUCH RECOMMENDATION, QM SPOKESMAN CLAIMS GOA HAS EFFECTIVELY DEPRIVED QM OF VALUABLE RESERVE IT HAS SPENT MILLIONS TO EXPLORE UNDER VALID LEASES. PW OFFICIAL HAS SAID IT IS "IDIOTIC" TO PROPOSE PUTTING RANGER INTO PRODUCTION, AT ESTIMATED COST OF US\$90 MILLION, TO PRODUCE SUCH SMALL AMOUNT OF URANIUM. VARIOUS COMMENTATORS HAVE QUESTIONED GOA CLAIM TO OWNERSHIP OF ALL NT URANIUM, ASKING IF THIS FORESHADOWS "NATIONALIZATION" THESE RESOURCES. MINERALS AND ENERGY MINISTER CONNOR HAS DENIED "ANY SUGGESTION OF IMPULSIVE NATIONALIZATION", CITING 1953 LEGISLATION OF MENZIES GOVERNMENT WHICH ESTABLISHED GOA OWNERSHIP. CONNOR ALSO CLAIMS IDEA THAT QM MEET CONTRACTS WITH RANGER URANIUM ORIGINATED WITH QM NOT HIMSELF. PRESS HAS CRITICIZED GOA FAILURE TO ACKNOWLEDGE RIGHT OF QM TO COMPENSATION SHOULD IT LOSE NABARLEK ENTITLEMENT.

3. EMBASSY COMMENT: WHILE CONNOR'S ASSURANCE THAT NATIONALIZATION NOT IMPLIED SEEMS CREDIBLE, GOA'S DECISION RAISES OTHER CONCERNS. DECISION SEEMS TO IGNORE VERY OBVIOUS DIFFERENCES BETWEEN NABARLEK AND RANGER DEPOSITS: FORMER CAN BE DEVELOPED FOR LIMITED PRODUCTION, BUT RANGER WILL REQUIRE APPROVAL OF MUCH LARGER EXPORTS TO JUSTIFY DEVELOPMENT (REF A). DECISION ALSO PROVIDES FURTHER EVIDENCE OF CONNOR'S INTENTION (REITERATED TWICE RECENTLY IN PUBLIC ADDRESSES) NOT TO APPROVE ADDITIONAL URANIUM EXPORTS UNTIL WORLD PRICES RISE AND ENRICHMENT TECHNOLOGY IS DEVELOPED FURTHER. INABILITY OF PROSPECTIVE AUSTRALIAN URANIUM PRODUCERS TO WAIT INDEFINITELY SEEMS NOT TO CONCERN THE MINISTER. DESPITE HIS PAST EFFORTS TO ASSURE URANIUM LEASE-HOLDERS OF HIS SYMPATHY FOR THEIR PROBLEMS, CONNOR LIKE WHITLAM HAS DEMONSTRATED APPARENT INDIFFERENCE TO THEIR PROBLEMS. ALTHOUGH RANGER PARTNERS ARE WHOLLY AND QM IS LARGELY AUSTRALIAN-OWNED, GOA IS CLEARLY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CANBER 01928 012350Z

FAVORING ABORIGINAL INTERESTS AT THEIR EXPENSE.
GREEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: URANIUM, ECONOMIC ALERT LIST, MINERAL RESERVES, LAND OWNERS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CANBER01928
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740072-0543
From: CANBERRA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740478/aaaacttv.tel
Line Count: 109
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) CANBERRA A-051 (B) STATE A-1425, (C) CANBERRA A-122
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAR 2002 by collinp0>; APPROVED <06 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CERP-EAL: GOA BARS NABARLEK URANIUM DEVELOPMENT
TAGS: ENRG, TECH, ECRP, AS, QUEENSLAND MINES LTD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005